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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 05/16/08

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ARTICLES:

- (1) Maher raps Tokyo, Okinawa as "indecisive"

OKINAWA TIMES (Page 2) (Full)
May 16, 2008

U.S. Consul General in Okinawa Kevin Maher held a press conference

yesterday, during which he criticized the Japanese government and Okinawa Prefecture for their possible discussions on Okinawa's proposal to move Futenma airfield's alternative into the sea. Japan and the United States have now agreed on a plan to lay down a V-shaped pair of airstrips as an alternative facility for Futenma airfield. "This is not the stage for indecisiveness in their attitude," Maher said.

Okinawa Prefecture's Governor Hirokazu Nakaima and Nago City's Mayor Yoshikazu Shimabukuro have been calling for moving the relocation site of Futenma airfield into the sea. In February, the government held a meeting of its consultative panel with officials from Okinawa's prefectural and municipal governments to discuss the pending issue of Futenma relocation. In that meeting, Chief Cabinet Secretary Nobutaka Machimura said the government would discuss Futenma airfield with its offshore relocation in mind. Maher's statement seems to have been meant to constrain both Okinawa and Tokyo.

Maher explained, "Rather than point out someone, (the Japanese side) is as a whole indecisive." He noted: "The plan should be carried out as agreed on between Japan and the United States. If we try to partially revise it, there is a high probability that the entire plan will fall apart."

Maher added: "If we can do the relocation, 8,000 Marines will be moved to Guam and most bases in the southern part will be returned. It will be to Okinawa's benefit." With this, he stressed that relocating Futenma airfield, as agreed on between Japan and the United States, will lighten Okinawa's burden.

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(2) Interview with Okinawa Governor Hirokazu Nakaima on 36th anniversary of Okinawa's reversion to Japan; Gap exists in views on Futenma relocation; Reaching agreement behind Okinawa's back went too far

ASAHI (Page 34) (Abridged slightly)
May 16, 2008

May 15 marked the 36th anniversary of the reversion of Okinawa to Japan. Okinawa still hosts 75 PERCENT of U.S. bases in Japan, although the economic gap has narrowed. The newspaper interviewed Governor Hirokazu Nakaima to find out his views.

-- It has been 36 years since Okinawa's reversion to Japan.

"Thanks to the government's economic package for Okinawa that incorporates ample subsidies, Okinawa's infrastructure, such as roads and airports, has been improved markedly. As for the manufacturing industry, traditional crafts, such as textiles, and metal casting have grown, although still small in size."

-- The relocation of Futenma Air Station has not moved forward. It has already been 12 years since a bilateral agreement was reached to return it.

"Situated in the middle of the downtown area, Futenma Air Station is dangerous to anyone's eye. The question is not about its function or its size. When (Japan and the United States decided to return it to Japan), Okinawa residents, including myself, thought its replacement facility would be built outside Okinawa, but the government eventually settled on another site in the prefecture. There was a gap in views then, and there remains a gap today."

-- After that, then Governor Masahide Ota said "no" to finding a new site for the base in the prefecture. He was eventually replaced by Keiichi Inamine, your predecessor.

"Mr. Inamine said, 'Relocating the base to another site in the prefecture cannot be helped,' and the government and affected municipalities reached an agreement to build a replacement facility in waters 2.2 kilometers off Henoko. If we had pushed ahead with that plan, there would not have been any problems."

-- In October 2005, the two governments jettisoned the offshore plan and adopted a coastal plan instead.

"Another gap has resulted from that. The governments of Japan and the United States arbitrarily made changes behind Mr. Inamine's back to what had been agreed upon. The way they did was way out of line."

-- What was the reason for the change?"

"There has been no clear explanation. The foreign minister simply said, 'This is the best option.' I don't think the Foreign Ministry can explain why it's the best."

-- What is your stance on the realignment of U.S. forces?

"The U.S. military presence is OK. It is still necessary today. I also basically think the intra-prefectural relocation cannot be

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helped. Then again, I have told the government that it would be faster to obtain local understanding and convince the people in Okinawa. But the government has insisted, 'What was determined cannot be moved even a millimeter.' That's why it is taking so much time."

-- You are calling for moving the relocation site into the sea, aren't you?

"In order to reduce noise and risk factors, I have basically asked the government to move the site as far away as possible from the residential areas."

-- An environmental impact assessment is underway. If the site were to be moved 50 meters from the current plan, wouldn't it necessary to do the assessment all over again under an ordinance?

"That's why we have underscored for the last two years the need to revise the plan before starting the assessment. I have warned them, 'If you don't listen to us, I will not authorize the use of the surface of public waters for the project.'"

-- When the matter did not move forward, the government considered the option of transferring powers from prefectural governors to the state to use the surface of public waters.

"The government recently considers such an approach easily. Times have changed. About defense policy, including the U.S. military, the government should ask the opinions of not only the Defense Ministry but also the general public and local governments."

(3) GIs in Japan-Neighbors' crimes: U.S. military realignment a task of top priority

AKAHATA (Page 3) (Full)
May 15, 2008

"We deeply apologize." So saying, U.S. Ambassador to Japan Schieffer and the commander of U.S. Forces Japan bowed their heads. We have now become quite used to seeing them doing so.

"They're now quick to apologize. That's probably risk management they learned from the schoolgirl rape of 1995." This comment came from Suzuyo Takasato, a former member of the municipal assembly of Naha City in Okinawa Prefecture, where she has been tackling the problem of sexual violence by American soldiers.

In February this year, another schoolgirl was raped in Okinawa. Afterward, the USFJ set up "a day of reflection" for commanding officers as well as for the rank and file.

The U.S. military apparently did not want to repeat the situation it had experienced 13 years ago. At the time, the Japan-U.S. alliance was said to have been rocked by an incident, involving a group of three U.S. servicemen gang raping a schoolgirl. Commenting on that inhuman act, U.S. Pacific Command (PACOM) Commander Mackey said, "If

they had the money to rent a car, they could have got women." This remark fueled the anger of people in Okinawa Prefecture.

They said they would "enforce stricter discipline" and "take recurrence prevention measures." However, what they say is always the same as what they used to say. After an incident, the U.S.

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military imposes a curfew and issues a no-drinking order. However, such restrictions will be lifted after a while. That is because protracted restrictions will lead to undermining morale.

And crimes repeat themselves. In Okinawa, even after this February's schoolgirl rape, there is no end to heinous crimes, as seen from such incidents as a foreign woman's rape and a taxi holdup.

What is serious is that heinous crimes committed by U.S. soldiers are not a lesson to the rank and file.

In January 2006, William Reese, a U.S. Navy serviceman, murdered a Japanese woman, Yoshie Sato, in Yokosuka, Kanagawa Prefecture. Reese, currently in prison, was based at Yokosuka for nearly two years from May 2004. During that time, nearly 10 U.S. soldiers and civilian employees were booked in Kanagawa Prefecture for muggings or other crimes. However, Reese stated that he had not been given any individual instructions concerning those incidents.

"It is a task of top priority for me to carry out the agreement between the Japanese and U.S. governments on the realignment of U.S. forces in Japan," U.S. Forces Japan Commander Rice, who arrived at his USFJ post in February this year, said in Tokyo in April. Concerning a series of crimes committed by U.S. military personnel, Rice said: "There may be one or two who do not live up to U.S. military standards. However, we have taken appropriate action to have them take responsibility." With this, he sounded as if to say only some outrageous persons committed such crimes.

The United States' intent is plain. They want to carry out the realignment of U.S. forces in Japan, such as building new Marine Corps bases in Okinawa's Nago and Guam and deploying a nuclear-powered aircraft carrier to Yokosuka. They are trying to remove unnecessary friction, and to meet that end, they only bow their heads.

(4) International operations to rescue quake victims starting full-scale, with Japan's team arriving in China first

NIKKEI (Page 3) (Full)
May 16, 2008

About 30 members of the Japanese government's emergency relief team left Narita Airport last evening and arrived in Beijing on the night of the same day. The team will be arriving in devastating earthquake-hit Sichuan Province on the 16th to help quake victims. The Japanese team is the first foreign relief group that China allowed into the country to assist in the rescue efforts. International rescue operations have started on a full scale, such as the delivery of tents and other relief supplies by Russia.

The team is composed of members of the Fire and Disaster Management Agency, the National Police Agency, the Japan Coast Guard, and the Japan International Cooperation Agency (JICA). Rescue dogs have also been sent with them. Self-Defense Force personnel are not included in the team. The team will start operations in Qingchuan Province, about 400 kilometers away from Chengdu, the capital of Sichuan Province. At Narita, team leader Takashi Koizumi, a Foreign Ministry official, told reporters: "We will make utmost efforts to rescue as many people as possible."

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A second group of about 30 is to depart for China today. The Japanese government is also preparing to send a medical team

consisting of 10 to 20 members. Japan so far dispatched personnel to China when it was hit by floods and also when Severe Acute Respiratory Syndrome (SARS) broke out in the country.

In a press conference yesterday, Chinese Foreign Ministry Spokesman Qin Gang expressed his gratitude for Japan's support, saying: "The Chinese government and its people have been greatly impressed (by Japan's aid)." Qin said that China now needs: (1) tents and blankets, as well as such daily necessities as instant food; (2) satellite communications equipment and rescue equipment; and (3) pharmaceuticals and medical equipment.

On the afternoon of the 14th, a Russian transport plane carrying 30 tons of relief materials arrived in Chengdu. From Russia, 100 tons of additional supplies will soon arrive. Japan's tents and blankets worth 60 million yen will also arrive in Chengdu on the 16th. Additionally, goods from South Korea and Britain will shortly land.

According to a Chinese diplomatic source, the Chinese government has decided to accept rescue teams from Russia and Australia. But it referred on the 15 to only a plan to accept Japan's team. The spokesman explained: "We gave priority to such conditions as short distance and quickness." But the diplomatic source said: "China expressed its gratitude for the fact that Japan was the first country that expressed a willingness to offer aid after the quake."

Beijing had replied to Tokyo and other governments that it would be difficult to receive foreign rescue teams at present because of a lack of preparedness. China's policy switch largely reflects its judgment that it needs help from Japan with its high level of rescue technology and experience, now that no progress has been made in rescuing survivors.

The survival rate for victims buried under rubble falls sharply 72 hours after a quake hits, according to experts. A Chinese government source said: "Executive members, including Premier Wen Jiabao, seem to have made the decision in the morning of the 15th," keeping 15:00 of the 15th - 72 hours after the quake - in mind.

If a disaster-struck nation accepts rescuers from abroad, it shows that the nation cannot independently deal with the situation. China's about-face to accept foreign rescue teams apparently reflects the seriousness of damage, as well as a judgment by the leadership led by President Hu Jintao giving priority to international coordination, particularly, to relations with Japan by emphasizing the need to establish a strategic mutually beneficial relationship.

China is now being sharply criticized by Western countries for its actions to put down Tibetan rioters. Observers also see behind China's policy switch an aim to calm down a xenophobic patriotism growing among the people in the run-up to the Beijing Olympics through reports by the media on its image of joining hands with the international community.

(5) LDP parliamentary league agrees to accept immigration bill

ASAHI (Page 7) (Full)
May 16, 2008

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A group of about 80 Liberal Democratic Party (LDP) lawmakers advocating the acceptance of talented foreign workers yesterday reached a broad agreement on a set of proposals for a "Japanese-style immigration policy," which is designed to press forward with accepting such immigration. The group headed by Hidenao Nakagawa, a former secretary general, aims at creating an Immigration Agency over the medium to long term. It will submit this policy proposal to the cabinet before the end of June.

The group noted that Japan needs to actively accept foreign labor in order to achieve sustained economic growth amid a declining population. The group aims at making Japan over the next 50 years a multiethnic country, in which immigrants account for 10 PERCENT of the entire population, similar to that of Europe.

At present, Japan allows such foreign workers as researchers and lawyers in specialized or technical areas to reside permanently. The group, however, calls for expanding the scope of targets to skilled labor.

As concrete measures, the group proposes abolishing the present on-the-job training system and creating instead a new system to teach foreigners skills in vocational training facilities in Japan. The LDP lawmakers also suggest that the government increase foreign students from the present 130,000 to 1 million by 2025.

An Immigration Agency would in charge of managing the immigration and compiling measures for having foreign workers acclimatize themselves to the Japanese society in an integrated fashion.

(6) Security and foreign investment restrictions: J-Power incident questions; Concern about decline in investment in Japan

NIKKEI (Page 5) (Full)
May 16, 2008

Private-sector member, "Non-discrimination between domestic and foreign companies is essential (in applying foreign investment restrictions)."

Minister of Economy, Trade and Industry Akira Amari: "Please do not mix up with the airport issue. We are dealing with the case with the existing law."

The Council on Economic and Fiscal Policy (CEFP) held a meeting on April 8. The agenda item was the environmental issue. However, discussions touched on the issue of the Children's Investment Fund's (TCI), a British hedge fund, bid to increase its stake in J-Power. As participants were exchanging off-the-record opinions, all other issues involved cropped up.

No problem, even if a takeover bidder is joining hands with a foreign company

This J-Power issue is indeed different from a case involving airport operating companies, in which the Ministry of Land, Infrastructure and Transport (MLIT) tried to apply a foreign capital restriction. The government acted, based on the determination that there is a security concern in light of the existing Foreign Exchange and Foreign Trade Control Law. It never intended to impose a new restriction on an ad hoc basis.

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However, this regulation can only be applicable if a foreign company tries to obtain a 100 PERCENT stake in a listed domestic company. If a bidder is a domestic investment fund teaming up with a foreign fund, then the regulation would not be applied.

Keio University Professor Naoyuki Yoshino, chairman of the Council on Tariffs and Foreign Exchange, who examined the British fund's plan to increase its stake in J-Power, pointed out that if it had been an ordinary company, there have been no problems at all, even if it was a foreign company. The TCI's past investment activities, such as it once strongly urged the replacement of a management executive of a German bourse, were made an issue. However, one government source said, "You cannot say that you can trust a person, just because that person is Japanese."

If security is the reason for the application of the foreign capital restriction, then its application must be non-discriminatory between domestic and foreign companies, as the above-mentioned private-sector member of the CEFP pointed out. Otherwise, the decision would be unconvincing. It would hamper foreign investors from investing in Japan.

It is also unclear whether the government has fully faced up to the market. INPEX Holdings was privatized in 2004 as J-Power did, taking over the resources section of the former Japan National Oil Corporation. Both companies listed their stocks. INPEX issued golden

shares that can protect management personnel and capital for the purpose of defending the company from hostile takeover bids, because it had a sense of crisis that Exxon Mobil or Royal Dutch Shell, which were buffeted by waves of large-scale corporate reorganization, might attempt to acquire it. On the other hand, J-Power reportedly did not issue golden shares because of the possibility of its share prices falling when it is listed. At that time, the power industry was not worried about being approached by foreign companies.

Harsh eyes of market insiders

Given such circumstances, it is only natural that market insiders give a hard look at J-Power for neglecting efforts to take measures to secure stable stockholders. Akira Yamauchi, a senior consultant at the Nomura Research Institute, pointed out, "It is a reasonable decision that the fund targeted J-Power's surplus funds. If that company is simply rejecting being acquired, then the meaning of its being listed on the market is weak."

When the government issued an order to the TCI to stop a move to increase its stake in J-Power, it released a statement, which noted that the Japanese government's stance of promoting inward foreign direct investment in Japan has not changed. Behind the statement is a message that it is not that Japan's foreign investment restrictions alone are pronounced and that the measure this time is exceptional.

Even so, what is sought from Japan, whose inward foreign direct investment in ratio to the GDP is the lowest among industrialized countries, is not having foreign investment restrictions on a par with those of European countries and the U.S. but whether it can lure investment at a pace faster than those countries can. The government's Export Council on Investment in Japan will shortly map out a set of proposals, including a hike in the corporate tax rate. Unless the government steadily takes measures, a suspicion that the

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Japanese market is closed will linger.

(7) Editorial: Basic law on use of space: Using space for peaceful purposes is the original point

TOKYO SHIMBUN (Page 5) (Full)
May 16, 2008

Legislation allowing the country to use space for defense purposes has cleared the House of Representatives. Although it is a major shift from the traditional principle of using space for "peaceful purposes" to "security purposes," concerns have not been eased at all in Lower House. The House of Councillors must conduct thorough deliberations.

The basic legislation on use of space that will transform the nature of the country's space development has easily passed the Lower House.

The legislation, jointly submitted by the Liberal Democratic Party, New Komeito, and Democratic Party of Japan, has been sent to the Upper House after it was approved by the Lower House Cabinet Committee following a two-hour question-and-answer session.

In establishing the National Space Development Agency of Japan (currently the Japan Aerospace Exploration Agency) in 1999, the Lower House unanimously adopted a resolution restricting the development of space to peaceful purposes. The government has repeatedly explained that "peaceful purposes" mean "nonmilitary purposes."

This has prohibited Japan from launching satellites for defense purposes. The resolution of the information-gathering satellites that were launched after North Korea fired a Taepodong missile in 1998 has been held down to a level below that of commercial satellites.

Clearly specifying "security" as an objective of space development,

the legislation will abolish such restrictions at a stroke.

At work behind it seems to be manufacturers' intention to promote the space industry by expanding demand in the defense sector, in addition to meeting the North Korean nuclear and missile threats.

The question is what will result from such a policy shift. Once the legislation is enacted, the Self-Defense Forces will be allowed to possess high-performance satellites and early-warning satellites that can detect missile launches. Japan's unstoppable steps would put neighboring countries on guard.

Transparency in space development would also be lost. The government was reluctant to provide information even on information-gathering satellites. It would be even more reluctant to disclose information on high-end satellites for defense purposes. The government might cite the "appropriate management of information" in explaining its reluctance.

Space development is costly to begin with. Giving priority to the defense sector might end up taking a toll on peaceful utilization. How to strike a balance between the two remains totally unclear.

The unmanned spacecraft Hayabusa asteroid probe and Kaguya moon

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probe, which have been developed as part of Japan's efforts to use space peacefully, have won the country a high international reputation. Such technology might wane.

Abandoning the long-held principle of using space for peaceful purposes without answering those questions would create serious problems for Japan's space development in the future.

DONOVAN